

# SP01 MODIFICATION PROPOSAL UPDATE

---

**MEETING NAME** Performance Assurance Board

---

**Date of meeting** 26 September 2019

**Paper number** PAB224/10

**Owner/author** Nathan Flood

**Purpose of paper** Decision

**Classification** Public

**Summary** This paper presents the Modification Proposal Form for the PAB to review and recommend that the form is progressed for the Panel to decide whether to propose a Modification to the Code.

---

## 1. Background

1.1 The PAF Review highlighted that Supplier Charges relating to Serial SP01 (Delivery of Routine Performance Monitoring Reports - Zero Working Days that a full set of PARMS Reports has not been submitted into PARMS) currently account for more than 90% of the total charge. The uncapped Supplier Charges are set to rise exponentially and could reach £10 million per month by the end of 2019. The SP01 charges are masking the true intention of Supplier Charges, which is to provide liquidated damages to Suppliers affected by the error created by estimated reads, compensating for a genuine pre-estimate loss.

In May 2019 the PAF Review team attended the PAB to seek approval for a recommendation that the PAB propose raising a Modification Proposal Form to switch off SP01 Supplier Charges or set them to zero.

1.2 The PAB approved this recommendation and the PAF Review team agreed to attend a future PAB once a recommended option had been identified.

1.3 The PAF Review team returned to the PAB in July 2019 ([PAB222/15](#)) after assessing five options for addressing this issue. The PAB agreed with our conclusion that, setting the SP01 Supplier Charge to zero was preferable, and approved that a BSC Modification Proposal Form be drafted.

## 2. Modification Proposal Form

2.1 A BSC Modification Proposal Form, currently titled 94-C, has been drafted and is included as Attachment A. The PAB is asked to review the content and recommend that it is progressed for presentation to the Panel in October 2019.

2.2 The proposal has been identified as not Self-Governance due to its potential impact on some parties.

2.3 We have identified the earliest possible release date as 27 February 2020. The system amendment will be implemented to coincide with the document change, and therefore all Supplier Charges for SP01 calculated after the release will use the zero value.

## 3. Recommendations

3.1 We invite you to:

a) **COMMENT** on the Modification Proposal

b) **AGREE** that the BSC Modification Proposal Form is progressed to the Panel for consideration.

## Attachments

Attachment A – PAB224\_10A\_BSC Modification Proposal Form

---

# SP01 MODIFICATION PROPOSAL UPDATE

---

**For more information, please contact:**

Nathan Flood, PAT Review Lead

[nathan.flood@elexon.co.uk](mailto:nathan.flood@elexon.co.uk)

020 7380 4130